



DONALD L. WOLFE, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

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Telephone: (626) 458-5100  
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ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

June 19, 2007

IN REPLY PLEASE

REFER TO FILE: PD-1

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FEDERAL APPORTIONMENT EXCHANGE PROGRAM  
AND STATE MATCH PROGRAM  
REGIONAL SURFACE TRANSPORTATION PROGRAM  
COUNTY OF LOS ANGELES-STATE OF CALIFORNIA AGREEMENT  
ALL SUPERVISORIAL DISTRICTS  
3 VOTES**

### **IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Chairman of the Board to sign the enclosed Agreement between the County of Los Angeles and the State of California, which assigns a County apportionment of Federal funds, in the amount of \$950,813, to the State in exchange for an equal amount of non-Federal State Highway Account funds and allocates to the County \$100,000 in State matching funds from the State Highway Account for Fiscal Year 2006-07 for a total payment to the County of \$1,050,813.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of this Agreement is necessary to execute the exchange of funds. The use of Federal funds by the County for highway projects requires conformance with certain detailed documentation processes. By accepting non-Federal State Highway Account funds in exchange for Federal funds from the State, the County is relieved of these Federal documentation requirements.

Under the Federal Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the State of California Department of Transportation (Caltrans) allocates the Regional Surface Transportation Program funds to metropolitan planning agencies or regional transportation planning agencies, which in turn apportion these funds to counties based on specified formulas.

In accordance with Section 182.6 of the Streets and Highways Code, the County of Los Angeles may exchange a portion of these Regional Surface Transportation Program funds for non-Federal State Highway Account funds. Additionally, Section 182.9 of the Streets and Highways Code requires that the State allocate matching funds of \$100,000 from the State Highway Account to the County. The enclosed Agreement claims the \$950,813 of the County's apportionment of the Regional Surface Transportation Program exchange funds and the \$100,000 of the State matching funds for Fiscal Year 2006-07, for a total of \$1,050,813 in non-Federal State Highway Account funds.

#### **Implementation of Strategic Plan Goals**

This action is consistent with the County Strategic Plan Goal of Service Excellence as it provides the County with less restrictive funds to improve its roads for the benefit of the motoring public.

#### **FISCAL IMPACT/FINANCING**

This Agreement has no net effect on the revenue available to the County for highway projects.

After execution of this Agreement, we will prepare and submit an invoice to the State in the amount of \$1,050,813. These funds will be utilized for projects to be identified in the Road Fund Budget.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The enclosed Agreement has been reviewed and approved as to form by County Counsel.

The Honorable Board of Supervisors  
June 19, 2007  
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### **ENVIRONMENTAL DOCUMENTATION**

In accordance with Section 15378(b) (4) of the California Environmental Quality Act (CEQA) Guidelines, approval of the recommended action does not constitute a project and therefore is not subject to the requirements of California Environmental Quality Act.

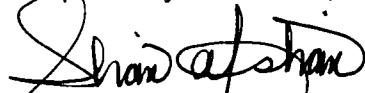
### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The funds covered under this Agreement will be used on future transportation improvement projects in the County.

### **CONCLUSION**

Enclosed are two originals of the Agreement. Upon approval by your Board, please return the two originals along with two adopted copies of this letter to us for further processing. After the Agreement has been executed by Caltrans, we will return a fully executed original Agreement to the Executive Office of the Board.

Respectfully submitted,



~~For~~: DONALD L. WOLFE  
Director of Public Works

JGG:abc

C071068

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Enc.

cc: Chief Administrative Office  
County Counsel

**FEDERAL APPORTIONMENT EXCHANGE PROGRAM AND STATE MATCH PROGRAM  
CALIFORNIA DEPARTMENT OF TRANSPORTATION - MPO COUNTY**

07      LOS ANGELES  
District      County

Agreement No. X07-5953(539)  
EA No. 07-932958L

THIS AGREEMENT is made on \_\_\_\_\_, by the COUNTY of LOS ANGELES, a political subdivision of the State of California (COUNTY), and the State of California, acting by and through the Department of Transportation (STATE).

WHEREAS, COUNTY desires to assign apportionments made available to COUNTY for allocation to transportation projects under the "Safe, Accountable, Flexible, Efficient, Transportation Equity Act - A Legacy for Users" (SAFETEA-LU), as modified in accordance with Section 182.6 of the Streets and Highways Code (Regional Surface Transportation Program (RSTP) funds) in exchange for nonfederal State Highway Account funds, and

WHEREAS Section 182.9 of the Streets and Highways Code requires the allocation of State Matching moneys from the State Highway Account to COUNTY:

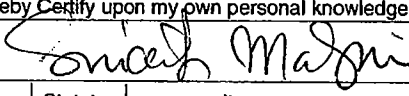
NOW, THEREFORE, the parties agree as follows:

**I. FEDERAL APPORTIONMENT EXCHANGE PROGRAM**

A. As authorized by Section 182.6(h)(2) of the Streets and Highways Code, COUNTY agrees to assign to STATE:

\$950,813.00      from the eligible portion of its estimated annual minimum  
RSTP Apportionment for Fiscal Year 2006/07

**For Caltrans Use Only**

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
				Accounting Officer		Date <u>5/16/07</u>		\$ 1,050,813.00
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$
47	2006	2660-102-0042	2006-2007	20.30.010.840	C	224040	113-042-T	950,813.00
47	2006	2660-102-0042	2006-2007	20.30.010.840	S	217000	113-042-T	100,000.00

The eligible portion of said minimum apportionment is the COUNTY's estimated annual minimum RSTP apportionment established under Section 182.6(d)(2) of the Streets and Highways Code in excess of 3 1/2 percent of the statewide minimum apportionment established under Section 182.6(d)(2) less any federal apportionments already obligated for projects chargeable to COUNTY's eligible portion of its estimated annual minimum RSTP apportionment.

B. COUNTY agrees to use such funds, as necessary, for those projects already included in the adopted Federal Statewide Transportation Improvement Program (FSTIP) that were to be funded with RSTP funds exchanged under Section I.A or reach agreement on amendments to the FSTIP.

C. COUNTY agrees that it will not undertake any capacity-expanding project funded herein located in an air quality nonattainment area without prior inclusion of said project by its RTPA in the "build" alternative of the air quality conformance analysis and the RTPA's subsequent concurrence in the project's implementation.

## **II. STATE MATCH PROGRAM - Section 182.9**

A. As authorized by Section 182.9 of the Streets and Highways Code, STATE agrees to pay to COUNTY \$100,000.00 from the unobligated balance of COUNTY's State Matching moneys for Fiscal Year 2006/07.

B. COUNTY agrees that before COUNTY uses State Matching funds for any other lawful purpose, COUNTY shall use such funds to match federally funded transportation projects.

## **III. COMMON PROVISIONS**

A. Subject to the availability of State funds by the State Budget Act, and upon receipt of COUNTY invoice evidencing COUNTY's assignment of COUNTY's estimated apportionment under Section I.A to STATE, STATE agrees to pay to COUNTY an amount not to exceed \$1,050,813.00 that equals the sum of the estimated apportionment amounts identified in Sections I.A and the State Match funds identified in Section II.A.

B. COUNTY agrees to use all State funds paid hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution.

C. COUNTY agrees to establish a special account within their County Road Fund for the purpose of depositing all payments received from STATE pursuant to this agreement.

### **D. COST PRINCIPLES**

1) COUNTY agrees to comply with, and require all project sponsors to comply with, Office of Management and Budget Circular A-87, Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

2) COUNTY will assure that its Fund recipients will be obligated to agree that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31,

et seq., shall be used to determine the allowability of individual Project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving Funds as a contractor or sub-contractor under this Agreement shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

3) Any Fund expenditures for costs for which COUNTY has received payment or credit that are determined by subsequent audit to be unallowable under Office of Management and Budget Circular A-87, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by COUNTY to STATE. Should COUNTY fail to reimburse Fund moneys due STATE within 30 days of demand, or within such other period as may be agreed in writing between the Parties hereto, STATE is authorized to intercept and withhold future payments due COUNTY from STATE or any third-party source, including, but not limited to, the State Treasurer, the State Controller and the CTC.

#### E. THIRD PARTY CONTRACTING

1) COUNTY shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code Sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed using Funds without the prior written approval of STATE.

2) Any subcontract or agreement entered into by COUNTY as a result of disbursing Funds received pursuant to this Agreement shall contain all of the fiscal provisions of this Agreement; and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as project costs only after those costs are incurred and paid for by the subcontractors.

3) In addition to the above, the preaward requirements of third party contractor/consultants with COUNTY should be consistent with Local Program Procedures as published by STATE.

#### F. ACCOUNTING SYSTEM

COUNTY, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate Fund expenditures by line item. The accounting system of COUNTY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

#### G. RIGHT TO AUDIT

For the purpose of determining compliance with this Agreement and other matters connected with the performance of COUNTY'S contracts with third parties, COUNTY, COUNTY's contractors and subcontractors and STATE shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All

of the above referenced parties shall make such materials available at their respective offices at all reasonable times for three years from the date of final payment of Funds to COUNTY. STATE, the California State Auditor, or any duly authorized representative of STATE or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent for audits, examinations, excerpts, and transactions, and COUNTY shall furnish copies thereof if requested.

#### H. TRAVEL AND SUBSISTENCE

Payments to only COUNTY for travel and subsistence expenses of COUNTY forces and its subcontractors claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid exempt non-represented State employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced are in excess of those authorized DPA rates, then COUNTY is responsible for the cost difference and any overpayments shall be reimbursed to STATE on demand.

#### I. SINGLE AUDIT

COUNTY agrees to include all state (Funds) and federal funded projects in the schedule of projects to be examined in COUNTY's annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with Office of Management and Budget Circular A-133.

STATE OF CALIFORNIA  
Department Of Transportation

COUNTY OF LOS ANGELES

\_\_\_\_\_  
Office of Project Implementation  
Division of Local Assistance  
Date:

\_\_\_\_\_  
Chair, Board of Supervisors  
Date:

**APPROVED AS TO FORM**

**OFFICE OF THE COUNTY COUNSEL**

BY   
DEPUTY